

The emotional whirlwind that inmates are caught up in has led them to believe that with BPP their families will receive immediate economic relief. In all probability, however, the rates will actually increase. BPP requires that each call "dip" into a national database to determine which carrier to route the call through to reach the billed party. Such "dips" will increase the cost of all BPP calls. If the local telephone companies and long distance telephone companies require that other databases be "dipped" for security purposes, additional expenses as well as additional routing expenses will be incurred. It is unreasonable to expect the telephone companies to absorb the costs of such "dips" and additional routing.



Public Communications Council of NATA, is currently warning of the impending disaster that could result if the greed-prone and unethical providers don't clean up their act. At this writing, efforts to police the industry are well under way, but the industry needs and must have the support and cooperation of the confinement industry to complete the shake out.

To correct the abuses of a few unethical providers and avoid the disaster of BPP, a simple solution is readily available.

This solution will meet all of the needs of inmates, their families, and their activist groups; it will meet the needs of the confinement industry and the needs of the inmate phone service provider industry. The solution is simply this: Absolutely, positively insist (1) that all contracts with inmate phone service providers be based on intrastate regulated rates and interstate rates that are fair to the inmate families, (2) that such contracts guarantee strict compliance with such tariffed rates, and (3) that failure to comply will result in termination of the contract without penalty or damages of any sort to the county or facility. It's that simple.

Who Is Going to Pay for This?

It is unclear who will pay for BPP and no one knows exactly what BPP will cost. Estimates of the cost for BPP implementation run in excess of \$1.5 billion for local telephone company expenses alone. Hundreds of millions of dollars will need to be spent by the long distance companies to re-educate consumers on how to make long distance calls. But, if history and experience are any indication of what costs will be, the costs to implement such a regulatory nightmare will far exceed the \$1.5 billion estimate. Since the costs of BPP will affect all calling, the more an inmate uses the phone under BPP, the more the costs will be to his family and loved ones. Indeed, for CURE, the implementation of BPP will truly be a giant step backwards. If BPP is implemented, most jail administrators will eliminate pay phones from their facilities because of security requirements and, therefore, the problems that CURE has indicated will be exaggerated rather than eliminated.

What Would BPP Mean to Inmate Phone Service Providers?

For most inmate phone service providers, BPP would spell their demise. Without the ability to control and process the calls, the source of their revenues will disappear. There would be no alternative to removing their phone systems from confinement facilities because there would be no revenues to pay the telephone companies the monthly line charges.

There can be no doubt about the consequences of the unethical actions and greed of a certain segment of the inmate phone service provider industry. It would certainly be regrettable if the actions of a few unscrupulous providers ultimately prove responsible for the demise of an industry that has fought hard to keep the telecommunications industry competitive and that has fought hard to prevent fraud and the financial suffering that results when inmates commit economic crimes. Hundreds of facilities already benefit from the private providers and the commissions they provide to operate inmate welfare funds.

The Inmate Calling Services Providers Task Force, a working group within the auspices of the American

Who Keeps Urging the FCC to Adopt BPP?

BPP was first introduced by Ameritech in 1986. Ameritech is comprised of Illinois Bell, Indiana Bell, Michigan Bell, Ohio Bell, and Wisconsin Bell. Ameritech has been joined by Bell Atlantic, Southwestern Bell, and Pacific Bell in supporting Billed Party Preference. All of these Regional Bell Operating Companies (RBOC) except Bell Atlantic have gone on record favoring BPP for inmate phones. It is interesting to note that with BPP these telephone companies will gain control of the routing of calls and will receive a fee for processing every call. MCI is the only long distance carrier that favors the implementation of BPP for confinement facilities. MCI readily acknowledges: "Implementation of BPP will also significantly reduce or eliminate the existing system of commission payments to the prisons which has come to be viewed as a source of revenue to federal, state and local governments. The carrier industry and the prison authorities will have sufficient opportunity, due to the time it will take to deploy BPP, to devise new products and to adjust to the changes that BPP will require for Call Control."⁵ Regrettably, the very people who think BPP will save them money will be the ones who will pay more for their calls. These increased costs will be necessary to cover the fees charged by the RBOCs to transfer the calls to their picked carrier, plus the fees charged by the carriers for the "new products" MCI admits will have to be developed to provide inmate calling.

This raises two very interesting questions: (1) How much are these "new products" actually going to cost? (2) Does anybody really believe that the RBOCs and MCI are behind BPP because they want to cut back their services, reduce their control, and lower their rates?

What Do We Need to Do Now to Prevent This Disaster?

If you believe that BPP will dilute your authority to control inmate calling and will result in increased fraud and hardships in terms of wasted manpower, and increased expenses to inmate families, you need to make your views known immediately. Write the FCC and write your congressional representatives. Ask your representatives to investigate the FCC proposal and urge the FCC not to adopt Billed Party Preference. Time is critical as this issue may be on the FCC agenda in early 1994. Tell the FCC that as a jail administrator you believe that contracts requiring rate guarantees and rate monitoring will protect inmate families far better than BPP. Your letter to the FCC should be sent to: The Honorable Reed Hundt, Chairman, Federal Communications Commission, 1919 M Street, N.W., Washington, D.C. 20554. ☎

References

1. Letter from Ameritech to Judge Greene, U. S. District Court for the District of Columbia Circuit, in the Spring of 1986.
2. Final Report of the Federal Communications Commission Pursuant to the Telephone Operator Consumer Service Improvement Act of 1990, November 13, 1992, p. 18.
3. Policies and Rules Concerning Operator Service Providers, 6 FCC Rcd 2744, 2752 (1991).
4. Federal Communications Commission, Docket No. 92-77. Comments of Citizens United for the Rehabilitation of Errants, May 6, 1993.
5. Ex Parte Comments filed with FCC, Docket No. 92-77, October 25, 1993, by MCI.

Perry R. Eichor is the Director of the Greenville County Community Service Department and the Greenville County Detention Center, a 203-bed facility housing over 400 prisoners. In January of 1994 a 288-bed addition will be opened and work is in progress on a 198-bed workcamp.

Eichor is a member of the American Correctional Association, the American Jail Association, past Secretary/Treasurer of the South Carolina Jail Administrators Association, and a life member of the International Association of Chiefs of Police. He has 40 years' experience in the criminal justice field and is a graduate of Michigan State University and the American University Correctional Institute. He can be reached at (803) 271-5361.

Vincent Townsend is President of Pay Tel Communications, Inc. Pay Tel owns and operates over 500 inmate phones serving 55 county confinement facilities in Virginia, North Carolina, and South Carolina.

Mr. Townsend is the President of the North Carolina Payphone Association and a Board Member of the American Public Communications Council (APCC) Inmate Calling Service Providers Task Force. Mr. Townsend also serves as the APCC representative on the National Toll Fraud Prevention Committee. Mr. Townsend has a B. S. degree in Business Administration from the University of North Carolina at Chapel Hill. He can be reached at (919) 852-7419.

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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)	
)	
Billed Party Preference)	CC Docket No. 92-77
for 0+ InterLATA Calls)	

FURTHER NOTICE OF PROPOSED RULEMAKING

Adopted: May 19, 1994

Released: June 6, 1994

Comment Date: July 8, 1994

Reply Date: July 29, 1994

By the Commission: Commissioner Quello concurring and issuing a statement; Commissioner Barrett issuing a statement.

TABLE OF CONTENTS

	Paragraph
I. INTRODUCTION	1
II. BACKGROUND	3
III. COSTS AND BENEFITS OF BILLED PARTY PREFERENCE	8
A. Benefits	9
B. Estimated Costs of BPP	20
C. Weighing the Costs and Benefits	36
IV. IMPLEMENTATION OF BPP	39
A. The Breadth of Coverage	39
B. Recovery of BPP Costs	52
C. Selecting 0+ Carriers	61
D. The Costs & Benefits of 14-Digit Screening in LIDB	70
E. Commercial and Foreign Credit Cards	75
F. Restrictions on Dialing Around BPP	81
G. Timing	83
V. CONCLUSION	84
VI. PROCEDURAL MATTERS	85
VII. ORDERING CLAUSES	88

I. INTRODUCTION

1. In May 1992, the Commission released a Notice of Proposed Rulemaking to consider the implementation of a "billed party preference" (BPP) system for 0+ interLATA payphone traffic and for other types of operator-assisted interLATA traffic.¹ Under BPP, such traffic would be carried automatically by the operator services provider (OSP) preselected by the party being billed for the call. In the Notice, we tentatively concluded that, in concept, BPP routing of all 0+ interLATA calls is in the public interest, and we sought comment on the costs and benefits of BPP.

2. Our review of the evidence in the record and other publicly available data indicates that BPP, if implemented within the parameters discussed below, would serve the public interest. BPP would facilitate access to the telephone network by eliminating the need for callers to use access codes on operator service calls. BPP would also stimulate competition in operator services both by eliminating AT&T's advantages in the operator services market and by refocusing operator services competition more squarely on consumers. Heightened, more consumer-oriented competition should result in lower prices and better services, which, coupled with easier access, should stimulate network usage. Moreover, the technology required for BPP would enrich the nation's telecommunications infrastructure, paving the way for further network innovation. Nevertheless, BPP is an expensive technology. In addition, the data, including the cost data, on which we rely is not as precise or as current as we would like. Therefore, before issuing a final decision, we invite parties to comment on our analysis of the benefits and costs of BPP. We will mandate BPP only if we conclude that, as indicated by the current record, its benefits outweigh its costs and that these benefits cannot be achieved through alternative, less costly measures. Parties suggesting alternatives to BPP should describe those alternatives with specificity so that we may adequately assess their costs, benefits, and feasibility in relation to BPP. We intend to proceed expeditiously with our review of the record and issue a final decision at the earliest possible date.

II. BACKGROUND

3. 0+ interLATA calls from payphones, hotels, motels, and other aggregator locations are routed today to the OSP chosen by the premises or payphone owner.² OSPs generally

¹ Billed Party Preference for 0+ InterLATA Calls, Notice of Proposed Rulemaking, CC Docket No. 92-77, 7 FCC Rcd 3027 (1992) (Notice). A 0+ call occurs when the caller keys in "0" plus an interexchange number, without first using a carrier access code. An access code is a sequence of numbers, e.g., 10288, that connect the caller to the carrier associated with that sequence.

² Prior to 1988, all 0+ traffic from Bell Operating Company (BOC) and GTE payphones was routed to AT&T. In October 1988, Judge Greene ordered the BOCs to implement a presubscription system for BOC payphones, and shortly thereafter, he ordered GTE to do the

1. Background/Comments of the Parties

39. In the Notice, we tentatively concluded that, if mandated, BPP should apply to all 0+ interLATA calls. We observed that the principal benefit of BPP -- simplified "dialing" -- would only result if BPP applied uniformly to all locations and all types of phones. We sought comment on this tentative conclusion and on whether BPP should also apply to 0- calls. We also invited comment on whether BPP could apply to calls originating in non-equal access offices.

40. Almost all commenters, including those opposed to BPP, argue that if BPP is implemented, it should apply to 0- as well as 0+ interLATA traffic, including calls originating from residential phones and in non-equal access areas.⁶² They assert that ubiquitous coverage is the best way to minimize consumer confusion and to reduce per call costs, since full coverage increases call volume, but does not significantly raise the cost of BPP. Nine state regulators and NARUC support the application of BPP to all interLATA calls, but the New York DPS opposes FCC imposition of BPP on intrastate interLATA calls.⁶³

41. Two groups request special exemptions: those responsible for prison phone service and smaller rural independent LECs. Smaller rural independent LECs argue that they should not be required to implement BPP.⁶⁴ Elkhart asserts that BPP would be even more costly than

⁶² AT&T ex parte filing, July 15, 1993; Ameritech Comments at 7-8; Bell Atlantic Comments at 3; BellSouth Comments at 17-18; Citizens Reply Comments at 2; Florida PSC Comments at 6; GTE Comments at 4-6; Midwest Regulators Comments at 11-13; MCI Comments at 6-7; Michigan PSC Comments at 5; Missouri PSC Comments at 4; NYNEX Comments at 21; SNET Comments at 8-9; SW Bell Comments at 17-18; Sprint Comments at 29; Texas PUC Comments at 7-8; USTA Comments at 7; US West Comments at 17-18. A few OSPs and aggregators assume that BPP could not apply in non-equal access offices; however, the BOCs, GTE, USTA, and others state that this assumption is incorrect. Indeed, US West and USTA assert that "little or no expense" would be required to implement BPP in non-equal access offices. Messagephone argues that BPP should be limited to calls originating from public phones, since BPP is primarily intended to address the problems associated with such calls. Messagephone Reply Comments at 14-15. No other party takes this view. Moreover, LECs assert that limiting BPP to public phone traffic would not significantly reduce overall BPP costs.

⁶³ Some parties explicitly ask that BPP be implemented for intraLATA calls. Allnet Comments at 4; AmEx Reply Comments at 15-17; AT&T ex parte filing, July 15, 1993 (if BPP is mandated); Phonetel Comments at 4. Furthermore, many of the commenters listed in note 62, supra, support the application of BPP to the widest body of calls, which might well include intraLATA calls. Four Midwest state regulators argue that the issue of whether to impose BPP on intrastate intraLATA calls is one for state regulators -- not the FCC -- to act on. Midwest Regulators Comments at 12-13.

⁶⁴ Alltel Reply Comments at 2; Elkhart Reply Comments at 5-7; NTCA Reply Comments at 4-5; OPASTCO Comments at 4; Opticom Reply Comments at 17.

equal access and that the Commission should allow independents similar flexibility in planning their participation in BPP. Opticom questions whether small LECs with limited finances would be able to afford BPP, while OPASTCO cautions that even where they can, lower call volumes could lead to substantially higher than average per call costs. Elkhart also expresses concern that imposing BPP on smaller LECs would make them more dependent on larger LECs.

42. Dozens of prisons and sheriff's offices and the OSPs and CPPs serving them, as well as the Florida PSC and Midwest Regulators, argue that BPP should not apply to calls from correctional institutions.⁶⁵ They assert that BPP would impede the ability of correctional facilities to prevent fraud, harassing phone calls, or other criminal or abusive use of prison phones. They note that the Commission has previously recognized the special fraud concerns relating to inmate traffic by exempting prison phones from the TOCSIA unblocking rules, and they argue that the Commission should likewise exempt them from BPP if it is adopted.⁶⁶

43. OSP and CPPs serving prisons argue that the most efficient way to combat fraud is for a single OSP to be given responsibility for all interLATA calls from a prison, as occurs now under presubscription. They argue that because the OSP serving the prison bears the risk of fraud on calls made from the prison, that OSP has the incentive to install the necessary equipment and take the necessary measures to prevent fraud.⁶⁷ They argue that it is far more efficient for a single OSP to assume these responsibilities than to route calls to multiple OSPs, as would be the case under BPP, and leave it to each of them to address fraud in their own systems. Prisons also maintain that by eliminating 0+ commissions, BPP would deny them the revenues they currently use to finance prison expenses, and that without 0+ commission revenues, they could be forced to limit inmate calling.

44. Groups representing the families and friends of inmates oppose an exemption for prison calls.⁶⁸ They argue that it would be unfair to deny them the benefits of BPP if those benefits are made available to all other consumers. In response, some OSPs and CPPs serving prisons suggest that the concerns of these groups might be addressed adequately if the

⁶⁵ See, e.g., Arizona DOC; CompTel Reply Comments at 28-29; Florida PSC at 6; Inmate Calling Service Comments; Maryland DOC Comments; Midwest Regulators at 11-13; S. Carolina Jailers Comments; S. Carolina Sheriff's Assoc. Comments; Utah DOC Comments; Wisconsin DOC Comments. We also received numerous ex parte filings from prison officials.

⁶⁶ Gateway Reply Comments at 5-6; Midwest Regulators Comments at 11-12; S. Carolina Jailers Comments at 2-3.

⁶⁷ This would include, for example, training operators to handle the tactics inmates might use to commit fraud.

⁶⁸ See, e.g., Citizens United for Rehabilitation of Errants (CURE) ex parte filing, May 6, 1993; Pennsylvania Prison Society ex parte filing, June 9, 1993.

Commission set rate ceilings for inmate calling services. They argue that this would be a more cost-effective solution than BPP.⁶⁹

45. MCI disputes claims that fraud control would be inefficient in a BPP environment. It argues that calls originating from prisons account for only a small minority of fraud and that the widespread prevalence of fraud from other sources already forces all OSPs to maintain extensive fraud control systems.⁷⁰ MCI and Sprint argue that BPP would actually improve the detection of fraud because all collect calls to a number would be carried by the same carrier rather than the different carriers that now serve different prisons. They assert that BPP could further improve fraud detection on all collect and third number calls, including those from correctional institutions, if LECs incorporated certain fraud protection systems into LIDB. MCI and Sprint note that under BPP, all collect and third number calls billed to a particular line number would be routed to the LIDB containing that line number. Thus, they state, the LEC administering the LIDB would be uniquely situated to identify and prevent fraud calls to that number. They note, for example, that LIDB could be programmed to monitor the volume of collect or third party calls billed to each number and to indicate when such volumes were suspiciously high. If LIDB provided this function, scam phone subscribers and others would not be able to avoid detection by frequently changing OSPs.⁷¹

46. BOCs supporting BPP state that current LEC technologies, including "flex-ANI," are sufficient to prevent BPP from increasing the prevalence of fraud.⁷² Bell Atlantic and Pacific also assert that collect calls from prisons represent approximately half of all collect calls,⁷³ and that diminishing the volume of BPP calls would raise the per-unit BPP costs for other customers.

2. Discussion

47. We now tentatively conclude that if we mandate BPP, it should generally apply to all interLATA 0+ and 0- calls. A primary goal of BPP is to enable consumers to reach their preferred carriers easily and with minimal confusion. We believe that uniform nationwide 0+ and 0- calling rules are most consistent with this goal. In addition, insofar as it is preferable

⁶⁹ Inmate Calling Service ex parte filing, Jan. 5, 1994.

⁷⁰ MCI ex parte filing, Nov. 24, 1993.

⁷¹ Id.; Sprint ex parte filing, Dec. 17, 1993.

⁷² Ameritech Reply Comments at 15. OSPs purchasing flex-ANI would receive an ANI II code of 29 accompanying all calls from prisons located in exchanges where flex-ANI was available.

⁷³ Bell Atlantic ex parte filing, Aug. 17, 1993 (57% of all intraLATA collect calls handled by Bell Atlantic originate from inmate facilities); Pacific ex parte filing, July 6, 1993 (inmate collect calls represent 40% of all collect calls handled through Pacific's network).

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that calls be routed to the carriers chosen by the billed party (as opposed to the caller), applying BPP to all 0+ and 0- calls could further the public interest.

48. We recognize that there is less need for BPP on 0- calls and on calls from residential and business phones. 0- callers can rely on live operators to transfer their call to their preferred OSP or to instruct them on how to reach that OSP. Callers from residential and business phones are less likely to reach OSPs that charge rates that are higher than the norm. For these reasons, if limiting BPP to 0+ calls or to public phone traffic would significantly reduce the cost of BPP, that option might be attractive. The record indicates, however, that this would not be the case. Indeed, even many of the opponents of BPP support applying BPP to all 0+ and 0- calls if we mandate it.⁷⁴

49. We also tentatively conclude that if we mandate BPP, it would have to be available in independent LEC territories, as well as those of the BOCs. Otherwise, different dialing rules for different locations would confuse callers, and undermine the benefits of simplified operator service calling. We do not believe that it would be unreasonably burdensome for independent LECs to participate in BPP. As is the case with another service we have recently mandated, 800 data base service, independent LECs could arrange to participate in BPP in several ways. Independent LECs that do not currently provide their own operator services could, for example, send their 0+ and 0- traffic to another LEC for screening. Alternatively, independent LECs could use their own OSS and another LEC's LIDB. Or they could share facilities with other small independent LECs.⁷⁵ Given these options, and based on data submitted by USTA, we tentatively conclude that independent LECs would be able to participate in BPP without incurring unreasonable costs.⁷⁶

50. We seek further information and comment on the options available to independent LECs for participating in BPP and on the costs of such options. We also invite parties to suggest rules that should govern LEC participation in BPP. We tentatively conclude that all OSSs used for BPP should be equipped with OSS7 as necessary to provide OSPs with billing information received from callers so that callers do not have to repeat that information to the OSP. We seek comment on this and on any other rules that should govern in this area.

⁷⁴ We do not now address whether we could or should require BPP for intraLATA calling. We note, however, that many states support the implementation of BPP and we anticipate that states that have authorized intraLATA competition would seriously consider adopting BPP for such calls. As noted, we believe that a truly universal BPP system with uniform nationwide dialing requirements would be in the public interest.

⁷⁵ As with 800 data base service, we would provide independent LECs with as much flexibility as reasonably possible to ensure that they could plan their BPP participation in accordance with their resources and network needs.

⁷⁶ USTA ex parte filing, July 20, 1993.

51. We find the current record inadequate for us to make a reasoned decision on whether to exempt inmate telephones from BPP. We seek additional comment on this matter, particularly with respect to the effectiveness and costs of controlling fraud originating on inmate lines with or without BPP. We also seek comment on whether LECs providing LDB queries should be required to tariff some form of anti-fraud service, e.g., one that would signal OSPs if a suspicious number of collect or third number calls were directed to a particular phone number. Finally, we seek comment on the suggestion offered by some OSPs and CPPs serving prison facilities that prisons be exempted from BPP if they subscribe to an OSP that charges rates below that of the dominant carrier for inter and intra-ATA calls.

B. Recovery of BPP Costs

1. Background/Comments of the Parties

52. In the Notice, we stated that BPP would appear to qualify as a "new" service under price caps. Pacific, SW Bell, and Sprint support that position.⁷⁷ ATC/LDDS and APCC oppose it, arguing that treating BPP as a new service would permit LECs to recover a windfall.⁷⁸ They argue that the new service test does not provide an effective upper limit on the price of new services. Bell Atlantic, NYNEX, and SNET also oppose treating BPP as a new service, but their opposition seems to be based on the cost recovery constraint formerly -- but no longer -- imposed by the net revenue test.⁷⁹ Ameritech and Bell Atlantic support treating BPP costs as a mandatory expenditure that justifies exogenous cost treatment. Sprint would also favor this approach if BPP costs could not otherwise be spread over all access code calls.⁸⁰ NYNEX opposes exogenous treatment because of its concern that higher access prices would hurt its competitive position with respect to CAPs, but Bell Atlantic states that this would not be a problem if CAPs are required to participate in BPP.⁸¹

53. On the issue of who should pay the costs of BPP, OSP and aggregator opponents of BPP strongly urge that costs be recovered solely from those OSPs receiving BPP calls. AT&T asserts that charging access code users for BPP would violate the principle of attributing costs

⁷⁷ Notice, 7 FCC Rcd at 3031 n.30; Pacific Reply Comments at 11; SW Bell Comments at 12; Sprint Comments at 21.

⁷⁸ APCC Comments at 26; ATC/LDDS Comments at 8.

⁷⁹ Bell Atlantic Comments at 5; NYNEX Comments at 16-17; SNET Comments at 5.

⁸⁰ Ameritech Comments at 21; Bell Atlantic Comments at 5-6; Sprint Reply Comments at 20.

⁸¹ Bell Atlantic Reply Comments at 2; NYNEX Comments at 18.

87. Notice and Comment Provisions. Pursuant to applicable procedures set forth in Sections 1.415 and 1.419 of the Commission's Rules, 47 C.F.R. Sections 1.415 and 1.419, interested parties may file comments on or before July 8, 1994, and reply comments on or before July 29, 1994. To file formally in this proceeding, persons must file an original and four copies of all comments and reply comments. If you want each Commissioner to receive a personal copy of your comments, you must file an original plus nine copies. You should send comments and reply comments to the Office of the Secretary, Federal Communications Commission, Washington, D.C. 20554. In addition, parties should file two copies of any such pleadings with the Policy and Program Planning Division, Common Carrier Bureau, Room 544, 1919 M Street, NW, Washington, D.C.. Parties should also file one copy of any documents filed in this docket with the Commission's copy contractor, ITS, Inc. 2100 M Street, N.W., Suite 140, Washington, D.C. 20037. Comments and reply comments will be available for public inspection during regular business hours in the FCC Reference Center (Room 239) of the Federal Communications Commission, 1919 M Street, N.W., Washington, D.C. For further information regarding this Further Notice of Proposed Rulemaking contact Mark S. Nadel (202) 632-1301, Common Carrier Bureau, Policy and Program Planning Division.

VII. ORDERING CLAUSES

88. Accordingly, IT IS ORDERED that, pursuant to Sections 1, 4, 201-205, 218, and 403 of the Communications Act as amended, 47 U.S.C. §§ 151, 154, 201-205, 220, and 403, a FURTHER NOTICE OF PROPOSED RULEMAKING IS HEREBY PROVIDED as explained herein.

89. IT IS FURTHER ORDERED that, pursuant to Sections 1.415 and 1.419 of the Commission's Rules, 47 C.F.R. §§ 1.415 and 1.419, comments on this proposal SHALL BE FILED with the Secretary, Federal Communications Commission, Washington, D.C. 20554 on or before July 8, 1994 and reply comments SHALL BE FILED with the Secretary on or before July 29, 1994.

FEDERAL COMMUNICATIONS COMMISSION

William F. Caton
Acting Secretary



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The Honorable Reed E. Hundt, Chairman
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

RE: CC Docket No. 92-77 - Billed Party Preference

Dear Chairman Hundt:

The American Jail Association (AJA) strongly opposes the application of Billed Party Preference (BPP) at jail facilities. BPP will destroy the commendable achievements jail professionals have made over the last decade to encourage frequent telephone use by inmates, to prevent criminal activity over the telecommunications network, and to develop needed and effective inmate programs.

AJA is a national, nonprofit association whose membership consists mainly of sheriffs, jail administrators, and corrections officers. There are more than 3,200 jails nationwide, housing some 450,000 inmates on any given day, and processing 20 million admissions and releases every year. We are committed to ensuring that our nation's jails are orderly, secure, and effective rehabilitation centers. Our members have an important public mandate to maintain a safe and secure environment within their facilities, and to protect the general public outside of their facilities from criminal activity by inmates. The application of BPP at jail facilities will severely limit our members' efforts to fulfill these duties.

You must understand that the purpose and use of inmate telephones bears little resemblance to the purpose and use of telephones by the general public. Generally, the use of a telephone by an inmate is a privilege, not a right. There are obvious reasons why this is the case. Our society will not tolerate a system that allows inmates to have free and open access to the telecommunications network. New crimes could be committed and old ones could be continued. Witnesses, judges, juries, and prosecutors could be intimidated, and victims could be harassed. For this reason, we do not allow inmates to use access codes to reach the carrier of their choice, nor are we required to allow such dialing under applicable FCC rulings.

At the same time, there are reasons why we want to encourage the use of

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Page Two

Honorable Reed E. Hundt, Chairman

the telephone by inmates, since frequent calling can be a positive rehabilitation tool. Indeed, frequent calling can encourage and strengthen positive relationships between inmates and their families--relationships that are vitally important for successful rehabilitation. Frequent calling can also help improve inmate morale which, in turn, encourages a disciplined and orderly jail environment and makes the corrections officer's already difficult job more manageable.

The goal, therefore, is to achieve a balanced system that encourages frequent inmate calling, but effectively controls that calling to protect the public from the abuse of the telephone by inmates for criminal purposes. Over the last decade, our members have been successful at implementing systems that achieve this goal. We do so through two required steps: (1) by routing inmate calling traffic to a single carrier that is qualified and equipped to handle inmate calls and who is contractually obligated to respond to our specific needs, and (2) by installing technologically-advanced inmate calling systems that allow frequent, but controlled, inmate calling. BPP is a direct assault to both of these precautionary measures.

Under the current system, inmate calling traffic is routed to a single carrier--one that knows the call is coming from a jail facility and one that generally automates call processing, or provides operators that are specifically trained, to thwart attempts by inmates to place prohibited calls. These carriers stay in daily contact with their contracted facility. This is an important reason why criminal telephone activity from inmate facilities can be detected and stopped at an early stage. For example, if an administrator receives information indicating that fraud or another crime has been, or is about to be, committed by an inmate through the use of the telephone, the administrator immediately informs the carrier who takes prompt action by either blocking specific numbers or denying service to the affected inmates by rejecting their Personal Identification Numbers (PINs).

Such responsive action could not be taken under BPP, since there could be dozens of different carriers that could carry inmate calls, none of whom will have any obligation to the facility. It would be impossible for every carrier to be in direct communication with every jail throughout the nation. And even if such

Page Three
Honorable Reed E. Hundt, Chairman

communication was possible, carriers under BPP will not be under any obligation to respond to an administrator's request to block calls to specific numbers or deny service to particular inmates.

Under BPP, the jail administration will no longer have the right to contract with a carrier that the administration has determined -- in his or her discretion -- is best equipped and qualified to handle the calls from that particular facility. In fact, BPP will grant inmates the right to access the network of dozens of different carriers by coordinating that selection with outside accomplices. All it will take is for a single inmate to find an unsuspecting carrier or a small independent telephone company that is ill-equipped and untrained to handle inmate calls, and we submit that as the identity of that carrier or telephone company becomes widely known, there could be a major outbreak of telephone criminal activity from our jails.

Of course, the magnitude of this potential harm ultimately depends on whether inmate phones will still be available after BPP, and if so, to what extent. BPP would eliminate the financial base for specialized inmate calling systems and jeopardize the very existence of inmate phones. Your agency should note that not more than a decade ago, specialized inmate calling systems were generally not available to our nation's jails. Indeed, a good number of jails are in rural areas where the small independent local telephone companies refused to provide inmate phone service. Jails had no way to effectively control inmate calling at the facility except to require strict officer supervision of all inmate calls and to severely limit inmate access to what was frequently a single phone per institution. Indeed, it was not that long ago that families of inmates rarely, if ever, received a telephone call from their loved ones in a jail. And if they were so lucky to receive a call, inmates were forced to do so under the presence of a jail officer.

Recent advancements in technology, coupled with the advent of telecommunications competition, have changed that troubling condition. Inmate phone service providers have made it possible for administrators to provide equipment with the necessary controls that in turn, provide frequent and unsupervised inmate calling opportunities. BPP, however, is purposely designed to take away an inmate phone service provider's revenue base.

Page Four

Honorable Reed E. Hundt, Chairman

In addition to the above, many of our nation's jails receive commissions from the telephone providers. Often, the revenues generated from the inmate telephone service are placed in what is known as an "Inmate Welfare Fund (IWF)." The revenues contained in this fund must be utilized in programs that benefit inmates. Examples of such programs are drug and alcohol treatment, literacy training, G.E.D., vocational, etc. BPP will eliminate telephone commissions paid to jails, which in turn, will eliminate many of the existing inmate programs, since these programs have no other funding source.

If we can emphasize any point, let it be this: We can only allow frequent inmate calling if that calling is controlled. **Our jails cannot afford to provide inmate telephone equipment that has the necessary controls without the assistance of inmate phone service providers.** Our nation's jails are in a state of financial crises. We are struggling to maintain sufficient funding for even our most basic needs. We simply cannot afford to purchase costly inmate calling systems on our own. If you take away the revenue stream supporting inmate phone service providers, we predict there will be few, if any, phones available for exclusive inmate use.

Despite our opposition to BPP, AJA agrees that inmate families should not have to pay unreasonable rates for inmate calls, the apparent reason why your agency is even considering applying BPP to inmate facilities. In fact, the positive effects of frequent inmate calling that administrators desire can only occur if the rates for inmate calls are affordable.

To the extent that the FCC is concerned that there are certain providers that are nevertheless charging unreasonable rates, the FCC should use its enforcement powers to directly regulate the rates of those providers. The FCC should not, however, adopt BPP in an indirect attempt to regulate the rates for inmate calls since, as explained above, BPP will jeopardize security and potentially eliminate the very inmate calling systems from which those calls are made. Indeed, should BPP be extended to inmate facilities, we suspect that whatever complaints about inmate calling rates your agency currently receives will be replaced by a much larger mountain of complaints. These complaints will be generated by angry inmate families who no longer can communicate frequently with their loved ones in jail facilities and from law abiding citizens who will become new victims of increased telephone fraud and crime.

Page Five
Honorable Reed E. Hundt, Chairman

We respect your agency's responsibility to regulate our nation's communications systems. As the Chairman of that agency, you no doubt have an awesome task. At the same time, please consider our membership's responsibility to manage and control our nation's jails. Ours is also an important task. BPP will take away important jail security and administration tools that assist us in the performance of our duties. Therefore, we urge that you do not extend BPP to jail facilities.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen J. Ingley", written in a cursive style.

Stephen J. Ingley
Executive Director

cc: The Honorable James H. Quello
The Honorable Andrew C. Barrett
The Honorable Rachelle B. Chong
The Honorable Susan Ness
AJA Board of Directors

ARAPAHOE COUNTY SHERIFF'S OFFICE

5686 S. Court Pl. • Littleton, Colorado 80120-1200

PATRICK J. SULLIVAN JR., SHERIFF

(303) 795-4711

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June 30, 1994

AUG 12 1994

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

The Honorable Reed E. Hundt
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

RE: BILLED PARTY PREFERENCE; CC DOCKET NO. 92-77

Dear Chairman,

As the chief administrator for an Adult Local Detention Facility, I oppose "Billed Party Preference" for inmates in my custody.

Through the years we have frequently received complaints from the public regarding telephone activities by inmates. These include threats, fraudulent activities, pleas for monies, repeated annoyance calls, etc. We responded to these complaints with strict security measures provided by our phone vendor. BPP will incapacitate our ability to employ our security features. I am obligated to the public to minimize inappropriate use of telephones by inmates.

Under Colorado Statutory requirements revenues generated through inmates are placed in an "Inmate Welfare Fund." These funds directly benefit inmates by purchase of education equipment, vocational training, and recreational items. Without the support of telephone revenues these programs would not be afforded.

Currently vendors bid for inmate phone service contracts thus keeping the rates for phone calls competitive. The vendor has an invested interest in controlling fraudulent activities. Prior to this system the carriers wrote off these fraudulent activities; unfortunately by passing the lost revenues to the general public.

I oppose this complex federal effort that would impair my ability to control inappropriate behavior of inmates and protect the welfare of the general public.

Respectfully,


Frank W. Henn, Captain

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ARAPAHOE COUNTY SHERIFF'S OFFICE

5686 S. Court Pl. • Littleton, Colorado 80120-1200

PATRICK J. SULLIVAN JR., SHERIFF

(303) 795-4711

Justice Center Detention Facility
7375 So. Potomac St.
Englewood, Colorado 80112-4030

phone (303) 649-0903
FAX (303) 649-0991

CC: The Honorable James H. Quello
The Honorable Andrew C. Barrett
The Honorable Rachelle B. Chong
The Honorable Susan Ness



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AUG 12 1994



OFFICE 804-493-8066
FAX 804-493-8715

Charles W. Jackson, Sheriff
Westmoreland County
P.O. Box 305
Montross, Virginia 22520

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY



RES. 804-493-8895

July 22, 1994

COPIABLE COPY ORIGINAL

The Honorable Reed E. Hundt, Chairman
Federal Communications Commission
1919 M. Street, N.W.
Washington, D. C. 20554

Re: CC Docket No. 97-77 Operations to Billed Party Preference

Dear Chairman Hundt:

We are opposed to the application of Billed Party Preference (BPP) at inmate facilities.

We have analyzed the security and administration needs at our facility and have found it to be necessary to route inmate calls and with whom we have a contractual relationship. We cannot allow inmates to have open access to the telecommunications network and the freedom to use any carrier they please. BPP will take away our right to coordinate inmate calls through a carrier we know and trust. Instead, inmate calls will be routed to a number of different carriers, none of whom will have any obligation to us, and few that will be trained to handle inmate calls.

We have also found it necessary to instal phone equipment that is specifically designed for inmate calls. This equipment helps prevent fraud, abusive calls, and other criminal activity over the telephone network. Given the constant budgetary constraints that we are under, we cannot afford to provide this equipment without the help of inmate phone service providers. BPP would also eliminate the revenue stream that finances our inmate phones. If BPP is applied to inmate facilities, there will be no way for us to finance these phones, nor will there be inmate phone service providers to assist us. Without inmate phones, the morale of our inmates will be devastated. The resulting increase in tension will make it more difficult for our staff to manage inmates.

Furthermore, we are sensitive to the rates families pay for calls. We fully appreciate the FCC's concern if some Sheriffs do not take responsibility for protecting inmate families from abusive rates. We do not agree with the FCC that the solution for this lack of responsibility is BPP. The proper and more effective action would be to adopt rate ceilings on inmate calls and then let Sheriffs enforce these rate ceilings through their contracts. Indeed we believe the overwhelming majority of Sheriffs are committed to requiring rates that are fair and

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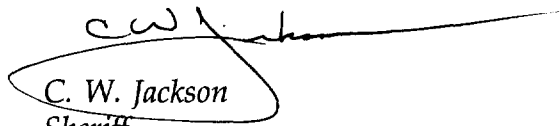
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The Honorable Reed E. Hundt, Chairman
July 22, 1994
Page 2

reasonable.

In short, BPP would take away our ability to employ important security and administrative measures that we have found to be necessary at our facility, ultimately reducing inmate phone availability, which in turn decreases the efficiency of our staff. We urge you to not adopt regulations that interfere with our administrative and security decisions--decisions that are clearly within our discretion and which we have a public responsibility to make.

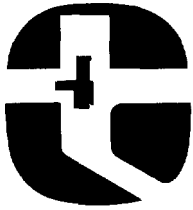
Respectfully submitted,


C. W. Jackson
Sheriff

cc: The Honorable James H. Quello
The Honorable Rachelle B. Chong
The Honorable Andrew C. Barrett
The Honorable Susan Ness

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AUG 12 1994



Tulsa County

Management Information Systems

A Department of the Board of County Commissioners
County Annex Bldg. • 633 W. 3rd St.
Tulsa, Oklahoma 74127-8942 • (918) 596-5285

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY
JUL 14 3 50 PM '94

LEROY N. JONES
DIRECTOR

DOCKET FILE COPY ORIGINAL

June 30, 1994

The Honorable Reed E. Hundt
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Re: Billed Party Preference; CC Docket No. 92-77

Dear Sir:

In my position as MIS Director for Tulsa County, I have the responsibility to provide communication services to the elected officials in Tulsa County which includes an Inmate Phone Service for the City/County Jail facilities.

I am requesting that the Inmate Phone Service be excluded from the proposed "Billed Party Preference" (BPP). The manner in which these calls are made, routed and controlled has to be absolute. The only way that I have found to have absolute control to prevent fraud or call abuse is to have an automated system that only allows the inmate to dial the number that they are calling. Once the inmate has dialed the number, the system controls complete the call for the inmate. As I understand the concept of BPP, the inmate would have to have the ability to select the long distance carrier of his choice. I am not aware of any Inmate Phone Service that would have this capability and still maintain the necessary controls.

In addition to providing the inmates with a system to call their family and friends, the system provides the necessary revenue to pay for the equipment that this service requires. As we are all aware of the population counts of all correctional facilities are rising daily. The financial burden on Tulsa County would not allow Tulsa County to continue to provide an Inmate Phone System without a cooperative effort with our inmate phone provider who provides the sophisticated inmate calling systems currently in place. BPP would eliminate the revenue incentive for a provider.

AN EQUAL OPPORTUNITY EMPLOYER M/F/H
FAX (918) 596-4703

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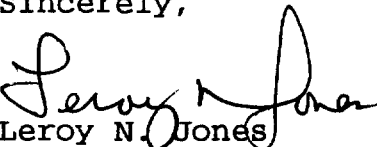
The Honorable Reed E. Hundt
June 30, 1994
Page 2

We are very sensitive to the rates that inmate families and friends pay for calls. We only contract with providers that agree to charge the tariff rates as provided by the FCC. We also monitor the charges monthly to ensure that the provider is in compliance.

If BPP is applied to calls made from an inmate phone system, it will eliminate our security controls, increase fraud on the telephone network, and will result in increased telephone abuse.

In summary, I am opposed to any effort that infringes on my ability to provide inmates an effective phone system. At a time of fiscal crisis in government, the FCC should not be cutting off a critical source of revenue that is used to benefit our inmates.

Sincerely,


Leroy N. Jones
Director

XC: The Honorable James H. Quello
The Honorable Andrew C. Barrett
The Honorable Rachelle B. Chong
The Honorable Susan Ness

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AUG 12 1994

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS



Department of Corrections

George A. Vose, Jr.
Director

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

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July 1, 1994

The Honorable Reed E. Hundt
Federal Communications Commission
1919 M Street, N.W.
Washington, DC 20554

RE: Billed Party Preference; CC Docket No. 92-77

Mr. Chairman,

I am writing to you to express my opposition to the implementation of Billed Party Preference for 0+ InterLATA calls. I am enclosing a copy of my comments which are filed against CC Docket 92-77. I feel that BPP will be a disaster for all correctional institutions if it is implemented.

Sincerely,

George A. Vose, Jr.
Director

cc: The Honorable James H. Quello
The Honorable Andrew C. Barrett
The Honorable Rachelle B. Chong
The Honorable Susan Ness
Inmate Phone Service Providers Task Force

Enclosure

GAV/sro

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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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AUG 12 1994

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)
) CC Docket 92-77
Billed Party Preference)
For 0+ InterLATA Calls)

RHODE ISLAND DEPARTMENT OF CORRECTIONS

George A. Vose, Jr., Director - Rhode Island Department of Corrections, in opposition to enactment of Billed Party Preference (BPP) because of the threat to the security of the Rhode Island Department of Corrections that will occur if BPP is enacted.

At the present time, the Rhode Island Department of Corrections is in the process of studying the inmate collect calling system currently in use. We wish to add security features to control inmate telephone calls, eliminate fraud and abuse currently going on, deny inmates the use of the telephone as a weapon to use against prison authorities, and develop the inmate calling system as an intelligence tool. If BPP is enacted, we will not be able to accomplish our goals and we will have to eliminate inmate access to telephones and require inmates to communicate with the outside world by mail.

My specific objections to enactment of BPP are as follows:

1. BPP will undermine R.I.D.O.C. ability to control inmate calling.

As a correctional facility administrator, I am in the best position to evaluate what call controls are necessary and in the best interest of inmates and the general public--not the federal government. Telephone call controls are necessary in order to prevent abuse and fraud. If the Commission wishes, R.I.D.O.C. can document specific cases, especially gang related cases where the telephone is being used to empower inmates and gang members. Call abuse and fraud at correctional facilities are worse than at non-inmate locations! Inmates have 24 hours a day, all year, to try to beat the administration and call abuse is easy for them, especially if multiple providers are involved.

BPP will, in effect, grant every inmate at my facilities a new federal right to use the long distance carrier of his choice. As the guardian of that inmate, I will no longer have control over how inmate calls are routed. Under BPP, inmates could conceivably harass judges, witnesses and jury members involved in their convictions-or even the victims of their crimes! Allowing inmate calls to go to any long distance carrier, as opposed to a service provider chosen by me and contractually committed to provide call and fraud controls, will threaten security. It is necessary to have a service provider with whom I am in daily contact, one who can service my needs by installing number blocking, PINS, screening out calls to persons inmates wish to threaten, and eliminating a primary avenue of gang control inside the walls. I vigorously oppose any federal interference with my ability to manage and control inmates' calling.

2. **BPP will eliminate current revenue-sharing arrangements that fund important inmate programs and create new financial burdens for R.I.D.O.C.**

The realities of prison and jail funding dictate that a cooperative effort with a inmate phone provider who provides the sophisticated inmate calling systems required be established, as there is no way R.I.D.O.C. could afford to provide such a system from State monies. The revenue-sharing arrangements with a inmate phone provider have been an innovative and effective means of

financing important inmate programs, such as family visitation, education, drug rehabilitation programs, law libraries, and sports. Increased phone availability and inmate programs financed through revenue-sharing have brought R.I.D.O.C. inmates improved morale, rehabilitation and reduced recidivism.

Facility administrators cannot independently finance sophisticated inmate calling equipment through the general budget. The public and legislators do not want to provide amenities for inmates.

Enactment of BPP will significantly impact the revenue-sharing arrangements. Successful programs and rehabilitation efforts will be cancelled if BPP is enacted. As a prison administrator, I am sensitive to the cost of collect calls to inmate families and only use revenue-sharing arrangements for necessary programs that benefit inmates. All revenue generated by inmate collect calls is used exclusively for the benefit of inmates.

In short, I oppose any federal effort that infringes on my ability to provide inmates an effective phone system and fund other important inmate programs. At a time of fiscal crisis in government, the FCC should not be cutting off a critical source of revenue that benefits inmates.